Second Quarter 2026 Financial and Operating Results

July 24th, 2026

Forward-looking statements

Certain statements included in this presentation constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws, including statements based on management's assessment and assumptions and publicly available information with respect to CN. By their nature, forward-looking statements involve risks, uncertainties and assumptions. CN cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Forward-looking statements may be identified by the use of terminology such as "believes," "expects," "anticipates," "assumes," "outlook," "plans," "targets," "goals," or other similar words.

2026 Key Assumptions

CN has made a number of economic and market assumptions in preparing its 2026 outlook. The 2025/2026 grain crops in Canada and the U.S. were above their respective five-year averages. The Company continues to assume that the 2026/2027 grain crops in Canada and the U.S. will be in line with their respective five-year averages. CN now assumes low single-digit RTM growth (compared to its January 30, 2026 assumption of flattish growth). CN now assumes that in 2026, the value of the Canadian dollar in U.S. currency will be $0.71 (compared to its April 29, 2026 assumption of $0.73), and continues to assume that in 2026 the average price of crude oil (West Texas Intermediate) will be in the range of US$80 - US$110 per barrel. The Company notes there is a heightened demand risk as a result of volatile macroeconomic conditions, geopolitical conflicts and global trade tensions.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements of CN to be materially different from the outlook or any future results, performance or achievements implied by such statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Important risk factors that could affect the forward-looking statements in this presentation include, but are not limited to, general economic and business conditions, including factors impacting global supply chains such as pandemics and geopolitical conflicts or tensions; trade restrictions, trade barriers, or the imposition of tariffs or other changes to international trade arrangements; industry competition; inflation, currency and interest rate fluctuations; changes in fuel prices; legislative and/or regulatory developments; compliance with environmental laws and regulations; actions by regulators and other regulatory claims or proceedings; increases in maintenance and operating costs; security threats; reliance on technology, including the use of artificial intelligence, and related cybersecurity risk; transportation of hazardous materials; various events which could disrupt operations, including illegal blockades of rail networks, and natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings and other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; the availability of and cost competitiveness of renewable fuels and the development of new locomotive propulsion technology; reputational risks; supplier concentration; pension funding requirements and volatility; and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should also be made to Management's Discussion and Analysis (MD&A) in CN's annual and interim reports, Annual Information Form and Form 40-F, filed with Canadian and U.S. securities regulators and available on CN's website, for a description of major risk factors relating to CN.

The achievement of CN's climate goals is subject to several risks and uncertainties, including those disclosed in the MD&A in CN's annual and interim reports. There can be no certainty that the Company will achieve any or all of these goals within the stated timeframe, or that achieving any of these goals will meet all of the expectations of its stakeholders or applicable legal requirements.

Forward-looking statements reflect information as of the date on which they are made. CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement. Information contained on, or accessible through, our website is not incorporated by reference into this presentation.

Non-GAAP Measures

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). CN may also use non-GAAP measures in this presentation that do not have any standardized meaning prescribed by GAAP. These non-GAAP measures may not be comparable to similar measures presented by other companies.

CN's outlook, guidance or targets exclude certain adjustments, which are expected to be comparable to adjustments made in prior years. However, management cannot individually quantify on a forward-looking basis the impact of these adjustments, which could be significant, are difficult to predict and may be highly variable. As a result, CN does not provide a corresponding GAAP measure for, or reconciliation to, its outlook, guidance or targets.

All amounts in this presentation are expressed in Canadian dollars, unless otherwise noted.

Tracy Robinson

President and Chief Executive Officer

Strong execution with improved 2026 outlook

Performance highlights

- Solid operational and commercial execution, converting volumes to the bottom line
- Shareholder returns supported by strong cash generation
- Now assuming low single-digit volume growth and expecting to deliver mid-to-high single-digit earnings growth

Q2 Total Revenues

Reported	At constant currency (1)
$4.8B	$4.8B
▲ 11%	▲ 11%

Q2 Diluted EPS

Reported	Adjusted (1)	Adjusted at constant currency (1)
$2.06	$2.08	$2.09
▲ 10%	▲ 11%	▲ 12%

Q2 Operating Ratio

Reported	Adjusted (1)
62.5%	62.2%
▲ 80 bps	▲ 50 bps

YTD Cash Flow

Free cash flow (1)	Net cash provided by operating activities	Net cash used in investing activities
$1.8B	$2.9B	($1.0B)
▲ 19%	▼ 1%	▼ 24%

Numbers may not foot due to rounding

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

Executing our strategy and delivering on our commitments

Pat Whitehead

Chief Operating Officer

Running our plan and delivering significant productivity gains

Network operations

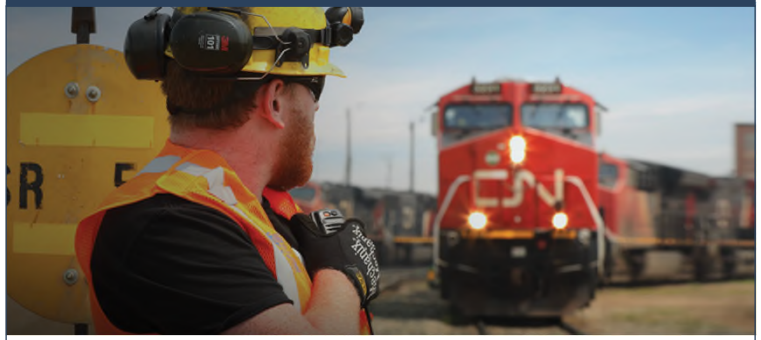
Record Q2 Fuel Efficiency

Plan Discipline
Scheduled railroading underpinning fluid movement of trains across the network

▼3%

U.S. GALLONS PER 1,000 GTMs
Q2 2026 vs. Q2 2025

Crew Productivity Gains

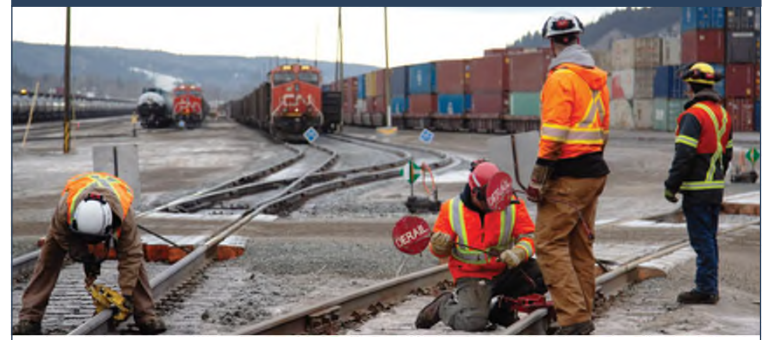


Right-sized Resources
Resource alignment enabling the right tension between volumes and operating capacity

▲13%

GTMs/T&E (1) EMPLOYEE
Q2 2026 vs. Q2 2025

Improved Locomotive Utilization



Driving Efficiencies
Continuous focus on asset utilization

▲6%

TRAILING GTMs PER TOTAL HORSEPOWER
Q2 2026 vs. Q2 2025

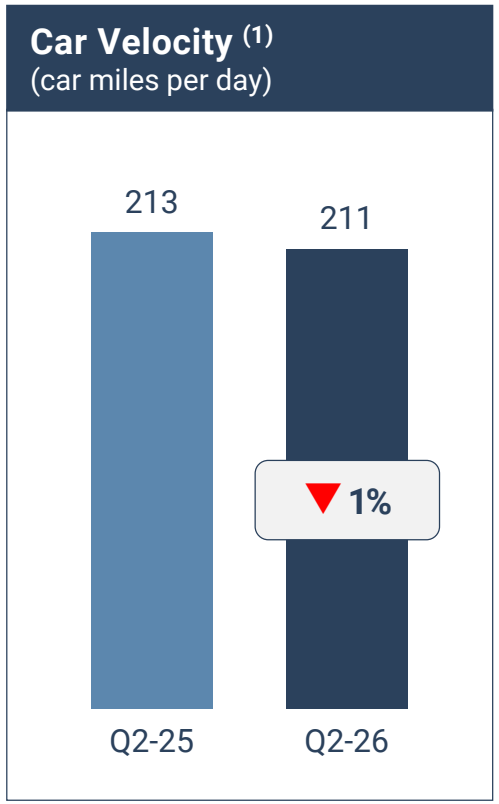
(1) Train and engine employees (locomotive engineers and conductors).

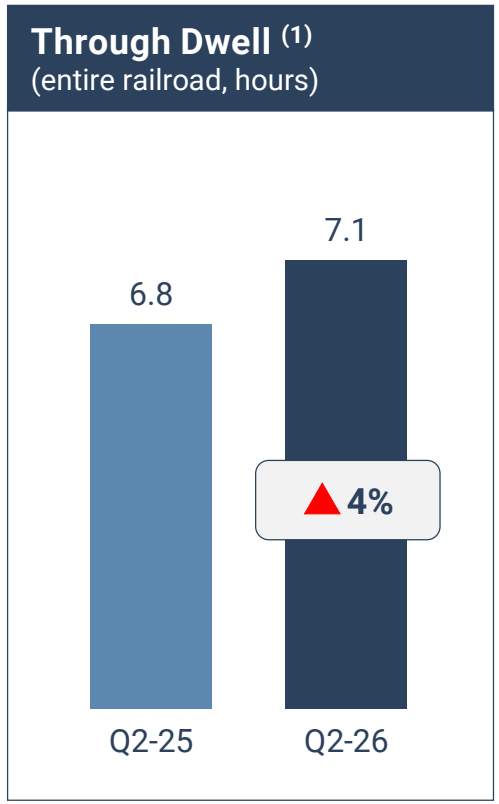
Disciplined execution driving results

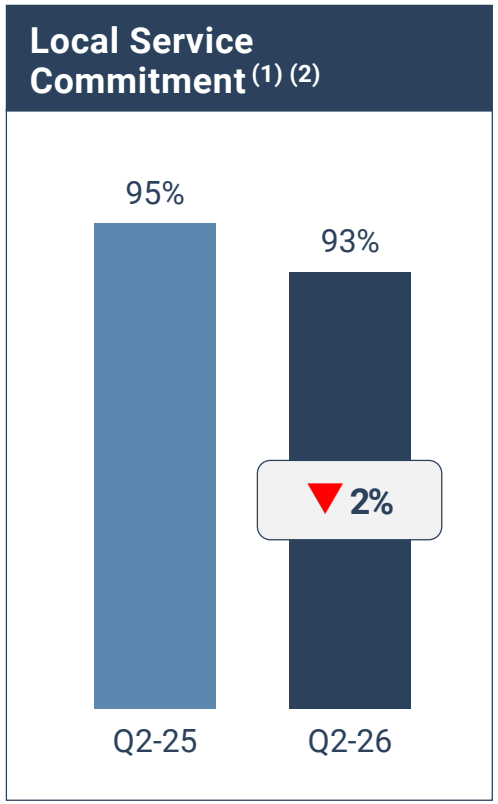
Handling higher volume, maintaining solid service levels

Key operating measures

- Consistent operating performance
- Volume growth and service execution
- Resilient network and proven operating model







(1) Operating measures are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available.

(2) Local Service Commitment is defined as the percentage of cars that successfully completed their Daily Operating Plan.

Network performance steady while advancing productivity initiatives

Janet Drysdale

Chief Commercial Officer

Solid commercial performance, building on momentum

Revenue highlights

- 11% revenue growth driven by higher year-over-year fuel surcharge and strong volume growth in grain, energy, and automotive
- Improved volume and yield, with pricing discipline maintained
- Commercial momentum continues with key CN-specific growth initiatives and boots on-the-ground approach

Q2 Revenues

$4.8B

▲ 11%

Q2 Revenues at Constant Currency (1)

$4.8B

▲ 11%

Q2 RTMs (2)

62.3B

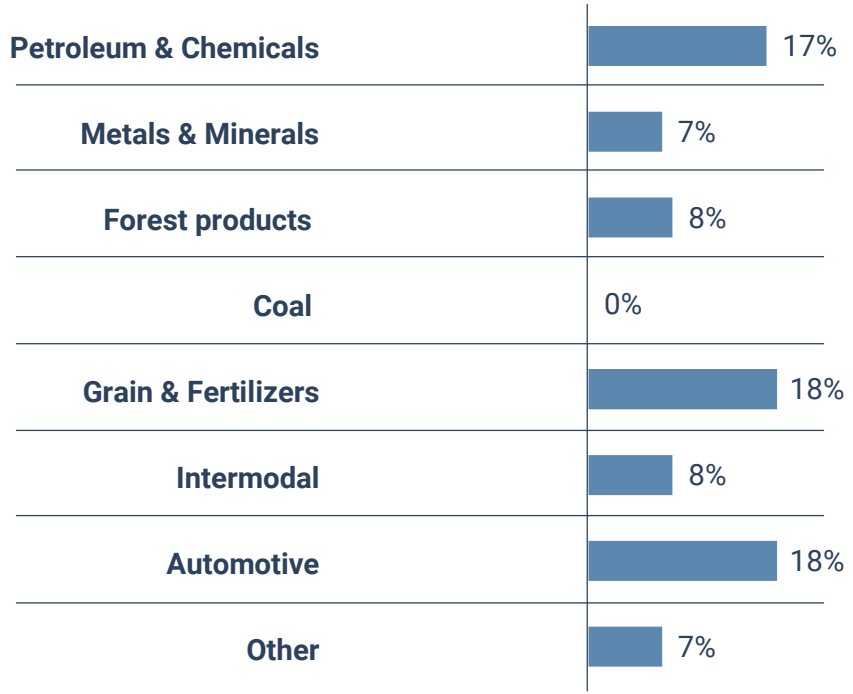
▲ 5%

Q2 Carloads (2)

1.4M

– %

Q2 Revenue Variance on a Constant Currency Basis (1)
(Q2 2026 vs Q2 2025)



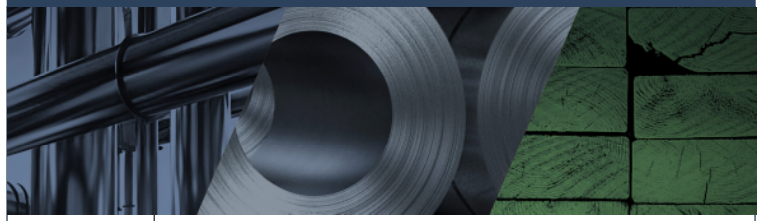
(1) This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.
(2) Operating measures are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available.

Commercial intensity and strong service converting opportunities to growth

Focused commercial execution

Balance-of-year outlook versus 2025

Merchandise



Petroleum & Chemicals ↑
- Refined growth supported by the Greater Toronto Fuel Terminal
- New crude oil business
- Additional NGL fractionation capacity supporting incremental exports

Metals and Minerals ↔
- Steady run rate in steel and aluminum
- Frac sand demand expected to grow in Northeast BC
- Continued weak fundamentals for iron ore

Forest Products ↓
- Flat housing starts, compounded by U.S. tariffs and duties

Bulk Products

Grain ↑
- **CDN** –Expecting strength in Q3 from higher carry-outs of the 2025-2026 record crop
- **U.S.** – Normalized export program

Coal ↔
- **U.S.** – Market conditions for thermal exports improving
- **CDN** – Dependent on mine-level production

Fertilizers ↓
- Reduced fertilizer shipments from plant outage expected to be partly offset by higher potash shipments

Consumer Products

International Intermodal ↓
- Challenging near-term outlook for North American imports
- Demarketed lower-profitability volume

Domestic Intermodal ↑
- Full-year effect of service-based wins
- Improving market fundamentals

Automotive ↑
- Strong imports to Canada and share gains partly offset by flat production and weaker cross-border shipments

Now assuming low single-digit RTM growth for the year

Ghislain Houle

Chief Financial Officer

Strong performance supporting earnings growth

Second quarter highlights

- Performance driven by higher volumes and continued productivity gains
- Fuel negatively impacting operating ratio by 210 bps
- Structural cost discipline and lower capex intensity supporting margin resilience and strong cash generation
- Continuing to be opportunistic on share buyback

Q2 Diluted EPS

Reported	Adjusted (1)	Adjusted at constant currency (1)
$2.06	$2.08	$2.09
▲ 10%	▲ 11%	▲ 12%

Q2 Operating Ratio

Reported	Adjusted (1)
62.5%	62.2%
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YTD Cash Flow

Free cash flow (1)	Net cash provided by operating activities	Net cash used in investing activities
$1.8B	$2.9B	($1.0B)
▲ 19%	▼ 1%	▼ 24%

Q2 Diluted Number of Shares

608M

▼ 3%

Numbers may not foot due to rounding

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

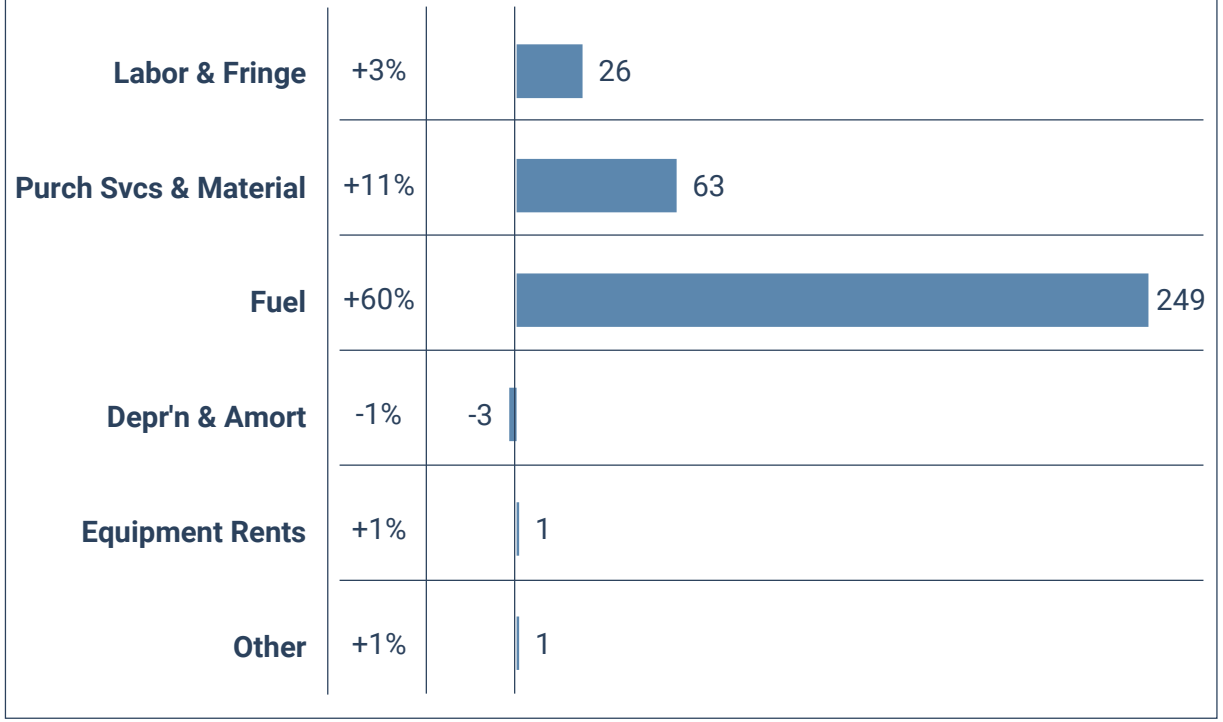
Results supported by disciplined execution and productivity gains

Operating expense review

Constant currency

- **Labor** up on general wage increases and higher incentive compensation expense; partly offset by lower average headcount
- **Purchased Services & Material** up on higher trucking and vessel expenses with stronger volume, and higher advisory costs related to rail consolidation matters
- **Fuel** up on higher prices, with the impact of higher volumes offset by record Q2 fuel efficiency

Q2 OPEX variance on a constant currency basis (1)
(Q2 2026 vs Q2 2025, in $M)



A positive percentage indicates an increase in year-over-year expense

(1) This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

Efficiency initiatives continuing to deliver results

Raising full-year EPS guidance

2026 financial outlook (1)

- Improved outlook supported by operational execution and commercial intensity
- Positive volume trend in the first half, assuming a constructive demand environment in the second half, with challenging year-over-year comparisons
- Revised balance-of-year assumptions: spot foreign exchange rate of $0.71 and WTI US$80 - US$110 per barrel

2026 Earnings Guidance

Assuming low single-digit RTM growth year over year

Mid-to-high single-digit

ADJUSTED DILUTED EPS GROWTH (2)

2026 Capex Guidance

Disciplined investment

$2.8B

CAPITAL EXPENDITURES
Net of amounts reimbursed by customers

(1) Please see Forward-looking statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN's financial outlook.

(2) CN's outlook, guidance, or targets exclude certain adjustments, which are expected to be comparable to adjustments made in prior years. However, management cannot individually quantify on a forward-looking basis the impact of these adjustments, which could be significant, are difficult to predict and may be highly variable. As a result, CN does not provide a corresponding GAAP measure for, or reconciliation to, its outlook, guidance or targets.

Updated 2026 financial outlook

Tracy Robinson

President and Chief Executive Officer

Built for growth

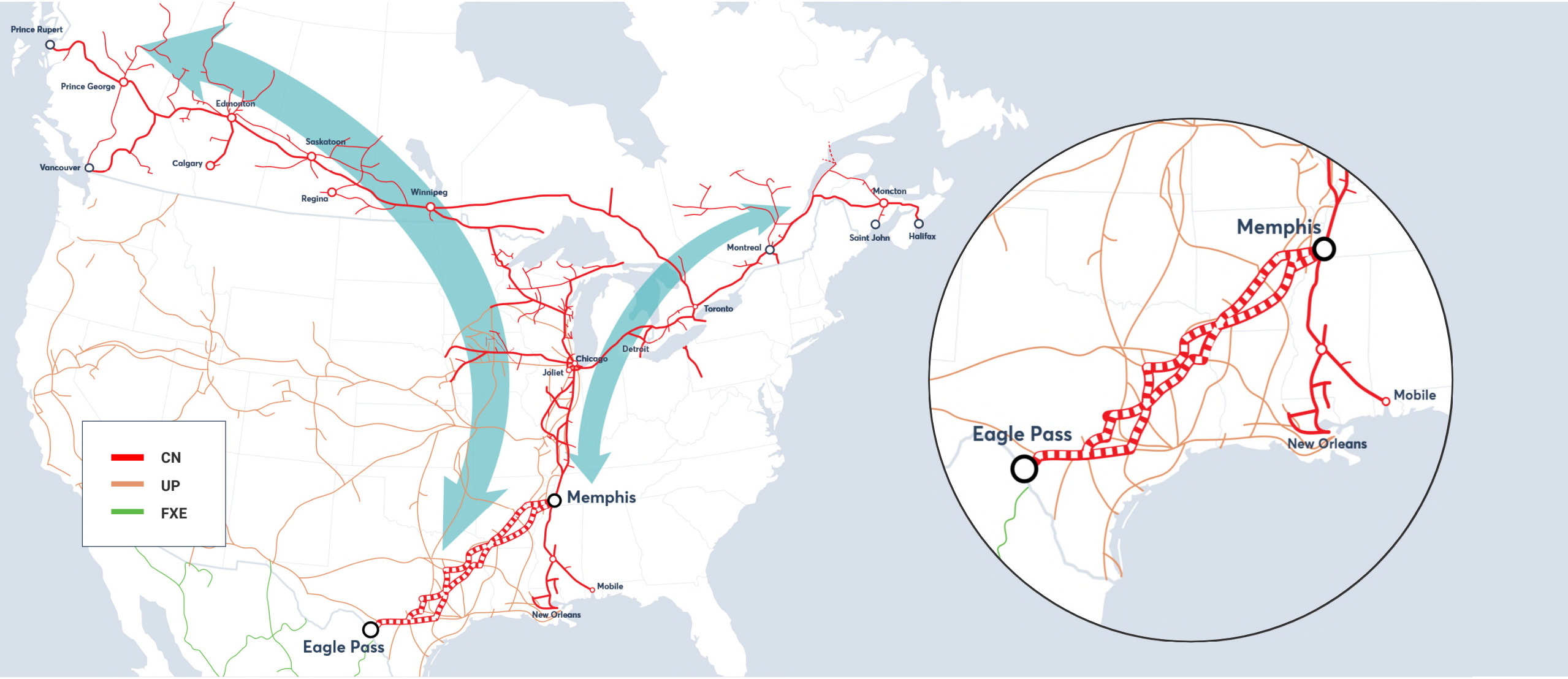
Closing remarks

- Disciplined execution driving results
- Converting operating leverage and network capacity into profitable growth
- Network uniquely positioned across North America's resource-rich regions

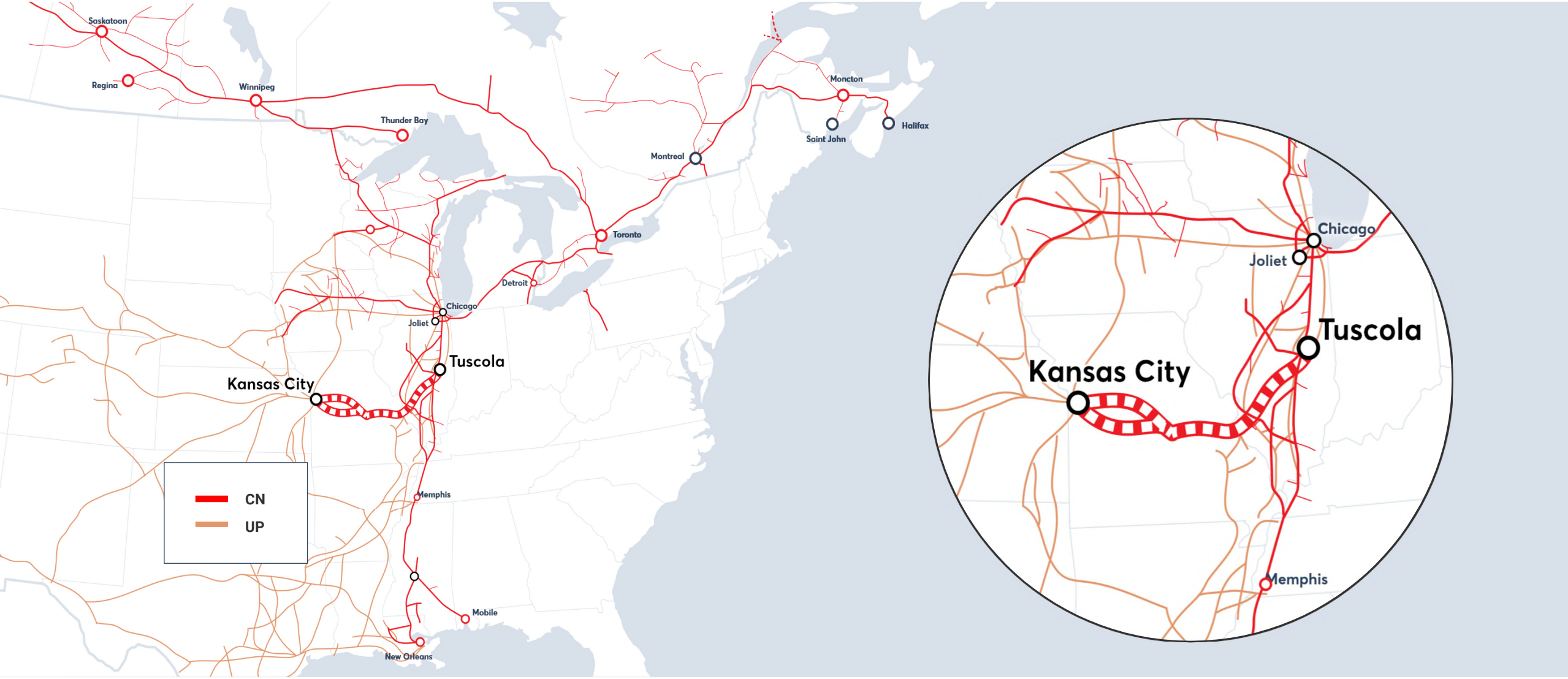
Executing our strategy and delivering on our commitments

Appendix

Commercial agreement to improve North American rail connectivity



Settlement agreement to expand customer opportunities



Non-GAAP measures

This presentation makes reference to non-GAAP measures that do not have any standardized meaning prescribed by GAAP, including adjusted net income, adjusted earnings per share, adjusted operating income, adjusted operating expense, adjusted operating ratio, free cash flow and adjusted debt-to-adjusted EBITDA multiple. These non-GAAP measures may not be comparable to similar measures presented by other companies. From management's perspective, these non-GAAP measures are useful measures of performance and provide investors with supplementary information to assess the Company's results of operations and liquidity. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP.

Adjusted Performance Measures

Adjusted net income, adjusted diluted earnings per share, adjusted operating income, adjusted operating expenses and adjusted operating ratio are non-GAAP measures that are used to set performance goals and to measure CN's performance and may include the following adjustments:

i. operating expense adjustments: workforce reduction program, advisory costs related to rail consolidation matters, depreciation expense on the deployment of a replacement system, advisory fees related to shareholder matters, losses and recoveries from assets held for sale, business acquisition-related costs;
ii. non-operating expense adjustments: business acquisition-related financing fees, merger termination income, gains and losses on disposal of property; and
iii. the effect of changes in tax laws including rate enactments and changes in tax positions affecting prior years.

These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.

For the three and six months ended June 30, 2026, the Company's adjusted net income was $1,261 million, or $2.08 per diluted share, and $2,363 million, or $3.88 per diluted share, respectively. The adjusted figures for the three and six months ended June 30, 2026 exclude advisory costs related to the analysis and advocacy for the U.S. Surface Transportation Board (STB) review of the impacts to fair competition pertaining to the potential merger between Union Pacific and Norfolk Southern of $17 million, or $12 million after-tax ($0.02 per diluted share) and $34 million, or $25 million after tax ($0.04 per diluted share), respectively, recorded in Purchased services and material within the Consolidated Statements of Income. The adjusted figures for the six months ended June 30, 2026 also exclude the sale of a portion of the Newmarket subdivision located in Washago and Sundridge, Ontario, Canada, together with rail fixtures, for cash proceeds of $84 million, which resulted in a gain of $66 million, or $57 million after-tax ($0.09 per diluted share) recorded in the first quarter of 2026 in Other income within the Consolidated Statements of Income.

For the three and six months ended June 30, 2025, the Company's net income was $1,172 million, or $1.87 per diluted share, and $2,333 million, or $3.71 per diluted share, respectively. There were no adjustments in the second quarter and the first half of 2025.

Non-GAAP measures

Adjusted Net Income and Earnings per Share

Adjusted net income is defined as Net income in accordance with GAAP adjusted for certain significant items. Management believes that adjusted net income provides additional insight to management and investors into the Company's operations and underlying business trends as well as facilitates period-to-period comparisons, as it excludes certain significant items that are not reflective of CN's underlying business operations and could distort the analysis of trends in business performance. Adjusted diluted earnings per share is defined as adjusted net income divided by the weighted-average diluted shares outstanding. This measure helps management and investors evaluate the Company's profitability on a per-share basis, facilitating the assessment of period-over-period performance by removing the impact of significant, non-recurring items. The following table provides a reconciliation of Net income and Earnings per share in accordance with GAAP, as reported for the three and six months ended June 30, 2026 and 2025, to the non-GAAP adjusted performance measures presented herein:

unaudited	Three months ended June 30		Six months ended June 30	
In millions, except per share data	**2026**	**2025**	**2026**	**2025**
Net income	**$ 1,249**	$ 1,172	**$ 2,395**	$ 2,333
Adjustments:				
Operating expense adjustment:				
Advisory costs related to rail consolidation matters	**17**	–	**34**	–
Non-operating expense adjustment:				
Gain on disposal of property	**—**	–	**(66)**	–
Tax adjustment:				
Tax effect of adjustments [1]	**(5)**	–	**–**	–
Total adjustments	**$ 12**	$ –	**$ (32)**	$ –
Adjusted net income	**$ 1,261**	$ 1,172	**$ 2,363**	$ 2,333
Diluted earnings per share	**$ 2.06**	$ 1.87	**$ 3.93**	$ 3.71
Impact of adjustments, per share	**0.02**	–	**(0.05)**	–
Adjusted diluted earnings per share	**$ 2.08**	$ 1.87	**$ 3.88**	$ 3.71

(1) The tax impact of adjustments is based on the nature of the item for tax purposes and related tax rates in the applicable jurisdiction.

Non-GAAP measures

Adjusted Operating Income, Operating Expenses and Operating Ratio

Adjusted operating income is defined as Operating income in accordance with GAAP adjusted for certain significant operating expense items that are not reflective of CN's underlying business operations. This measure helps management and investors assess the Company's core operating results by excluding items that may distort the analysis of ongoing business performance. Adjusted operating expenses is defined as Operating expenses in accordance with GAAP adjusted for certain significant operating expense items that are not reflective of CN's underlying business operations. This measure provides management and investors with a view of ongoing costs which exclude unusual or non-recurring items, enabling more accurate assessment of cost management and resource allocation across reporting periods. Adjusted operating ratio is defined as adjusted operating expenses as a percentage of revenues. For management and investors, the adjusted operating ratio serves as a key performance indicator of cost management and overall operational effectiveness, as it demonstrates how effectively management controls costs relative to total revenue by excluding unusual or non-recurring items. The following table provides a reconciliation of Operating income, Operating expenses and operating ratio, as reported for the three and six months ended June 30, 2026 and 2025, to the non-GAAP adjusted performance measures presented herein:

unaudited	Three months ended June 30		Six months ended June 30	
In millions, except percentages	2026	2025	2026	2025
Operating income	**$ 1,781**	$ 1,638	**$ 3,330**	$ 3,248
Adjustment:				
Advisory costs related to rail consolidation matters	**17**	—	**34**	—
Total adjustment	**$ 17**	$ —	**$ 34**	$ —
Adjusted operating income	**$ 1,798**	$ 1,638	**$ 3,364**	$ 3,248
Operating expenses	**$ 2,972**	$ 2,634	**$ 5,802**	$ 5,427
Total adjustment	**(17)**	—	**(34)**	—
Adjusted operating expenses	**$ 2,955**	$ 2,634	**$ 5,768**	$ 5,427
Operating ratio	**62.5 %**	61.7 %	**63.5 %**	62.6 %
Impact of adjustment	**(0.3)%**	— %	**(0.3)%**	— %
Adjusted operating ratio	**62.2 %**	61.7 %	**63.2 %**	62.6 %

Non-GAAP measures

Constant Currency

Financial results at constant currency allow results to be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons in the analysis of trends in business performance. Measures at constant currency are considered non-GAAP measures and do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. Financial results at constant currency are obtained by translating the current period results denominated in US dollars at the weighted average foreign exchange rates used to translate transactions denominated in US dollars of the comparable period of the prior year.The weighted average foreign exchange rates were $1.384 and $1.378 per US$1.00 for the three and six months ended June 30, 2026, respectively and $1.385 and $1.411 per US$1.00 for the three and six months ended June 30, 2025, respectively. On a constant currency basis, the Company's net income for the three and six months ended June 30, 2026 would have been higher by $5 million ($0.01 per diluted share) and $26 million ($0.04 per diluted share), respectively. The following table provides a reconciliation of the impact of constant currency and related percentage change at constant currency on the financial results, as reported for the three and six months ended June 30, 2026:

unaudited

In millions, except per share data	Three months ended June 30				Six months ended June 30			
	2026	Constant currency impact	2025	% Change at constant currency Fav (Unfav)	2026	Constant currency impact	2025	% Change at constant currency Fav (Unfav)
Revenues								
Petroleum and chemicals	**$ 941**	$ 1	$ 808	17%	**$ 1,869**	$ 25	$ 1,723	10%
Metals and minerals	**528**	1	496	7%	**996**	17	1,019	(1%)
Forest products	**495**	1	461	8%	**929**	16	955	(1%)
Coal	**243**	—	242	—%	**462**	4	488	(5%)
Grain and fertilizers	**980**	2	834	18%	**2,029**	24	1,785	15%
Intermodal	**1,087**	—	1,008	8%	**2,049**	11	1,948	6%
Automotive	**285**	—	241	18%	**492**	7	460	8%
Total freight revenues	**4,559**	5	4,090	12%	**8,826**	104	8,378	7%
Other revenues	**194**	—	182	7%	**306**	3	297	4%
Total revenues	**4,753**	5	4,272	11%	**9,132**	107	8,675	7%
Operating expenses								
Labor and fringe benefits	**889**	(1)	862	(3%)	**1,803**	16	1,782	(2%)
Purchased services and material	**641**	(2)	576	(11%)	**1,264**	6	1,153	(10%)
Fuel	**659**	3	413	(60%)	**1,142**	26	931	(25%)
Depreciation and amortization	**486**	—	489	1%	**970**	9	982	—%
Equipment rents	**106**	—	105	(1%)	**218**	4	223	—%
Other	**191**	(1)	189	(1%)	**405**	4	356	(15%)
Total operating expenses	**2,972**	(1)	2,634	(13%)	**5,802**	65	5,427	(8%)
Operating income	**1,781**	6	1,638	9%	**3,330**	42	3,248	4%
Interest expense	**(241)**	—	(219)	(10%)	**(475)**	(8)	(452)	(7%)
Other components of net periodic benefit income	**133**	—	126	6%	**266**	—	251	6%
Other income	**7**	—	16	(56%)	**80**	—	41	95%
Income before income taxes	**1,680**	6	1,561	8%	**3,201**	34	3,088	5%
Income tax expense	**(431)**	(1)	(389)	(11%)	**(806)**	(8)	(755)	(8%)
Net income	**$ 1,249**	$ 5	$ 1,172	7%	**$ 2,395**	$ 26	$ 2,333	4%
Diluted earnings per share	**$ 2.06**	$ 0.01	$ 1.87	11%	**$ 3.93**	$ 0.04	$ 3.71	7%
Adjusted net income (1)	**$ 1,261**	$ 5	$ 1,172	8%	**$ 2,363**	$ 26	$ 2,333	2%
Adjusted diluted earnings per share (1)	**$ 2.08**	$ 0.01	$ 1.87	12%	**$ 3.88**	$ 0.04	$ 3.71	6%

Footnote to the table follows on the following page.

Non-GAAP measures

Constant Currency (continued)

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. See the section of this MD&A entitled Adjusted performance measures for an explanation and reconciliation of these non-GAAP measures. Adjusted net income at constant currency and adjusted diluted EPS at constant currency allow results to be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons in the analysis of trends in business performance. For the three months ended June 30, 2026, the Adjusted net income at constant currency was $1,266 million, calculated as adjusted net income of $1,261 million, adjusted for the impact of fluctuations in foreign currency exchange rates of $5 million. For the six months ended June 30, 2026, the Adjusted net income at constant currency was $2,389 million, calculated as adjusted net income of $2,363 million, adjusted for the impact of fluctuations in foreign currency exchange rates of $26 million. For the three months ended June 30, 2026, the Adjusted diluted EPS at constant currency was $2.09, calculated as adjusted diluted EPS of $2.08, adjusted for the impact of fluctuations in foreign currency exchange rates of $0.01 per diluted share. For the six months ended June 30, 2026, the Adjusted diluted EPS at constant currency was $3.92, calculated as adjusted diluted EPS of $3.88, adjusted for the impact of fluctuations in foreign currency exchange rates of $0.04 per diluted share.

Non-GAAP measures

Free Cash Flow

Free cash flow is a useful measure of liquidity as it demonstrates the Company's ability to generate cash for debt obligations and for discretionary uses such as payment of dividends, share repurchases, and strategic opportunities. The Company defines its free cash flow measure as the difference between net cash provided by operating activities and net cash used in investing activities, adjusted for the impact of (i) business acquisitions and combinations; and (ii) merger transaction-related payments, cash receipts and cash income taxes, which are items that are not indicative of operating trends. Free cash flow does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. The following table provides a reconciliation of net cash provided by operating activities in accordance with GAAP, as reported for the three and six months ended June 30, 2026 and 2025, to the non-GAAP free cash flow presented herein:

unaudited *In millions*	Three months ended June 30		Six months ended June 30	
	2026	**2025**	**2026**	**2025**
Net cash provided by operating activities	**$ 1,611**	$ 1,745	**$ 2,876**	$ 2,909
Net cash used in investing activities	**(669)**	(823)	**(1,034)**	(1,361)
Free cash flow	**$ 942**	$ 922	**$ 1,842**	$ 1,548

Non-GAAP measures

Adjusted Debt-to-Adjusted EBITDA Multiple

Management believes that the adjusted debt-to-adjusted EBITDA multiple is a useful credit measure because it reflects the Company's ability to service its debt and other long-term obligations. The Company calculates the adjusted debt-to-adjusted EBITDA multiple as adjusted debt divided by the last twelve months of adjusted EBITDA. Adjusted debt is defined as the sum of Long-term debt and Current portion of long-term debt as reported on the Company's Consolidated Balance Sheets as well as Operating lease liabilities, including current portion and pension plans in deficiency recognized on the Company's Consolidated Balance Sheets due to the debt-like nature of their contractual and financial obligations. Adjusted EBITDA is calculated as Net income excluding Interest expense, Income tax expense, Depreciation and amortization, operating lease cost, Other components of net periodic benefit income, Other income (loss), and other significant items that are not reflective of CN's underlying business operations and which could distort the analysis of trends in business performance. Adjusted debt and adjusted EBITDA are non-GAAP measures used to compute the adjusted debt-to-adjusted EBITDA multiple. These measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. The following table provides a reconciliation of debt and Net income in accordance with GAAP, reported as at and for the twelve months ended June 30, 2026 and 2025, to the adjusted measures presented herein, which have been used to calculate the non-GAAP adjusted debt-to-adjusted EBITDA multiple:

unaudited *In millions, unless otherwise indicated*	*As at and for the twelve months ended June 30,*	**2026**	**2025**
Debt [1]		**$ 22,254**	$ 20,425
Adjustments:			
Operating lease liabilities, including current portion [2]		**465**	443
Pension plans in deficiency [3]		**337**	342
Adjusted debt		**$ 23,056**	$ 21,210
Net income		**$ 4,782**	$ 4,564
Interest expense		**936**	913
Income tax expense		**1,595**	1,441
Depreciation and amortization		**1,926**	1,946
Operating lease cost [4]		**154**	158
Other components of net periodic benefit income		**(517)**	(478)
Other income		**(127)**	(49)
Adjustments:			
Workforce reduction program [5]		**34**	–
Advisory costs related to rail consolidation matters [6]		**49**	–
Adjusted EBITDA		**$ 8,832**	$ 8,495
Adjusted debt-to-adjusted EBITDA multiple *(times)*		**2.61**	2.50

(1) Represents the aggregate of Current portion of long-term debt and Long-term debt as disclosed on the Consolidated Balance Sheets.
(2) Represents the present value of operating lease payments.
(3) Represents the total funded deficit of all defined benefit pension plans with a projected benefit obligation in excess of plan assets.
(4) Represents the operating lease costs recorded in Purchased services and material and Equipment rents within the Consolidated Statements of Income.
(5) Relates to employee termination benefits and severance costs related to a workforce reduction program, recorded in the fourth quarter of 2025.
(6) Represents advisory costs related to the analysis and advocacy for the STB review of the impacts to fair competition pertaining to the potential merger between Union Pacific and Norfolk Southern.